

Twenty One Years

OF PROGRESS

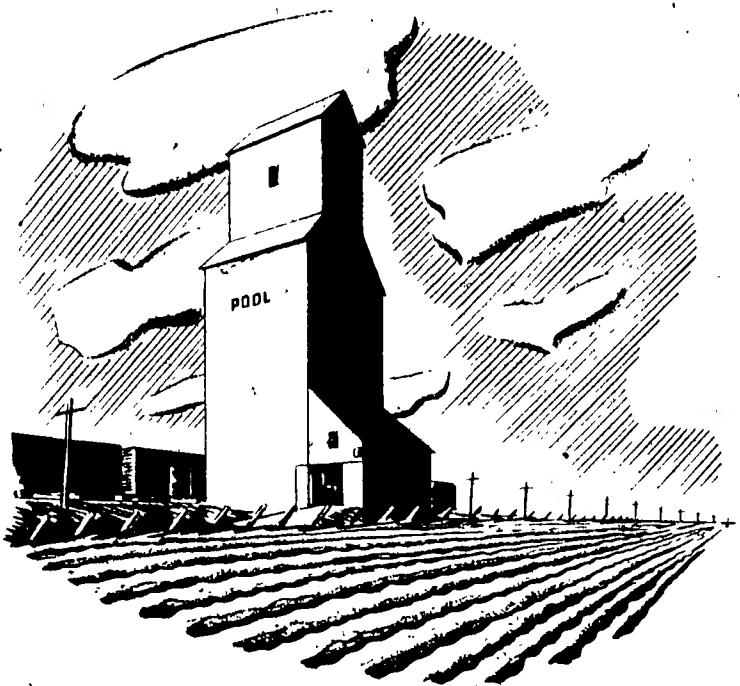


1924 — 1945

The

SASKATCHEWAN WHEAT POOL





TO THE MEN AND WOMEN
OF VISION AND COURAGE
WHOSE ENTHUSIASM AND
TIRELESS EFFORTS MADE THE
WHEAT POOL POSSIBLE, AND
TO THE THOUSANDS WHO,
HAVING CAUGHT THE SPIRIT
OF THE FOUNDERS, HAVE
BUILT IT STRONG AND WELL,
THIS BOOK IS DEDICATED.

SASKATCHEWAN WHEAT POOL

CABLE ADDRESS
WHEATPOOL REGINA

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
SASKATCHEWAN POOL ELEVATORS LIMITED
SASKATCHEWAN POOL TERMINALS LIMITED
SASKATCHEWAN WHEAT POOL CONSTRUCTION COMPANY LIMITED
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WHEAT POOL BUILDING
REGINA, SASKATCHEWAN

FOREWORD

The history of Saskatchewan Co-operative Producers Limited is the history of a group of hardy pioneering farm men and women.

To understand the history of the organization you must know the story of the people behind it. Theirs is a story of trial and hardship; of failures and successes; of courage and devotion to a cause; of final triumph.

The past twenty-one years--twenty-one years of progress--have been marked by a desire on the part of farm men and women to think for themselves; to venture into uncharted seas; to organize and manage their own business; and to write into the business codes of farm marketing, ethics of fair dealing and service based upon those principles of co-operation that have stood the test of a century.

John H. Wesson
President,
SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED.

The torches of the Saskatchewan farmers' Co-operative Producers Limited stand against the evening sky like a silent army of farmers. Statue of Liberty. It is true no outstretched arm bearing a torch reaches aloft from the tall silent figure. That torch is carried by the more than 100,000 members of Saskatchewan Co-operative Producers Limited, the vanguard of whom twenty-one years ago laid the foundations for a great co-operative marketing organization.

The liberty which those storehouses symbolize was won for the farmers of Saskatchewan by their own efforts. It is a liberty for which they had to work and fight. Standing as they do—in more than 1,100 communities and dedicated to the service of mankind, these structures serve as monuments to commemorate the drive and foresight and determination on the part of Saskatchewan farmers to improve their lot by doing things for themselves.

Twenty-one years ago the Wheat Pool was organized. The formation of this marketing co-operative was not the beginning of a story, it was another chapter in a story that had been started by far-seeing men a quarter of a century earlier.

The turn of the century had found the great wheat land being opened up and brought under cultivation. Railroad lines were being pushed into new territories. The golden riches of wheat was the gold at the foot of the rainbow that held out to settlers promise of security and prosperity; but they had reckoned without the factors that were to thwart them in their quest of home and happiness.

They found that they could grow the world's best wheat, but that they were at the mercy of marketing monopolies that dictated terms of sale and price. Too frequently the production of the best wheat in the world brought them only the heartache of penury and suffering.

They had no alternative but to sell their grain to the marketing monopolies. They planted in the spring not knowing to what depth prices would fall through the manipulations of speculative grain trading. They could only hope for the best. Too frequently they got the worst.



THEN there arose from their midst a race of hardy fighters, men whose names have since been etched deeply into the records of Saskatchewan's agricultural history. Such men as McNaughton, and Dayman and Partridge, and McPhail, who were prepared to challenge the unfair practices of a grain trade monopoly that denied farmers the right to a decent standard of living.

Such men as these prepared the ground upon which was erected the foundation and framework of the Saskatchewan Wheat Pool.

Between 1897 and 1914—a period of seventeen years thirteen investigations into various departments of the grain trade were conducted by Royal Commissions. All these investigations were prompted by complaints emanating from producers.

Older members of the Pool who fought for better marketing conditions will remember the complaints registered against the marketing monopolies. They will recall how farmers were forced to stand by and see box cars spotted at line elevators, but for them there were no cars. They will recall the ruinous price spreads on tough, damp and off-grade wheat that they now know through experience, resulted in tremendous profits for those operating terminals.

They will recall the excessive handling charges—the unwarranted street spreads, the arbitrary system of grading and dockage. They will remember that when the Pool was first organized a contract was signed with the line elevators to handle their grain for 5c a bushel for the three top grades and 6c for the lower grades. They will not overlook the fact that since the Pools have been instrumental in bringing these handling charges down to 3c a bushel the Pool has still been able to show substantial savings which have been paid back to members or have been allocated to be paid in the form of patronage refunds.

Similarly, they will remember the pittance they used to be allowed for screenings from their grain, nor are they likely to overlook the significance of the fact that in one year alone earnings from screenings sold by Pool Elevators and Pool Terminals netted the producers close to three quarters of a million dollars.



IT WAS the abuses in grain marketing which inspired producers to organize the Pool and build up their own elevator system.

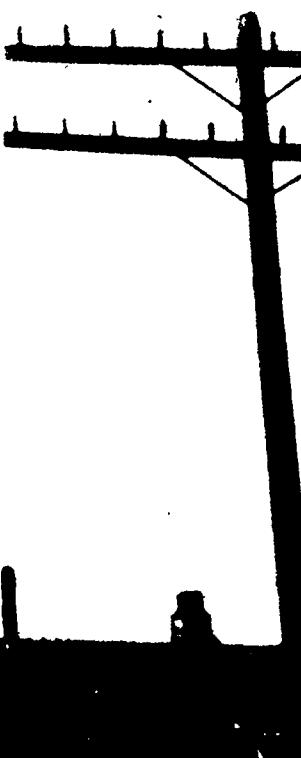
Today Saskatchewan farmers own and operate 1,139 Pool country elevators in Saskatchewan and operate four terminal elevators at the Head of the Lakes, three of which they own.

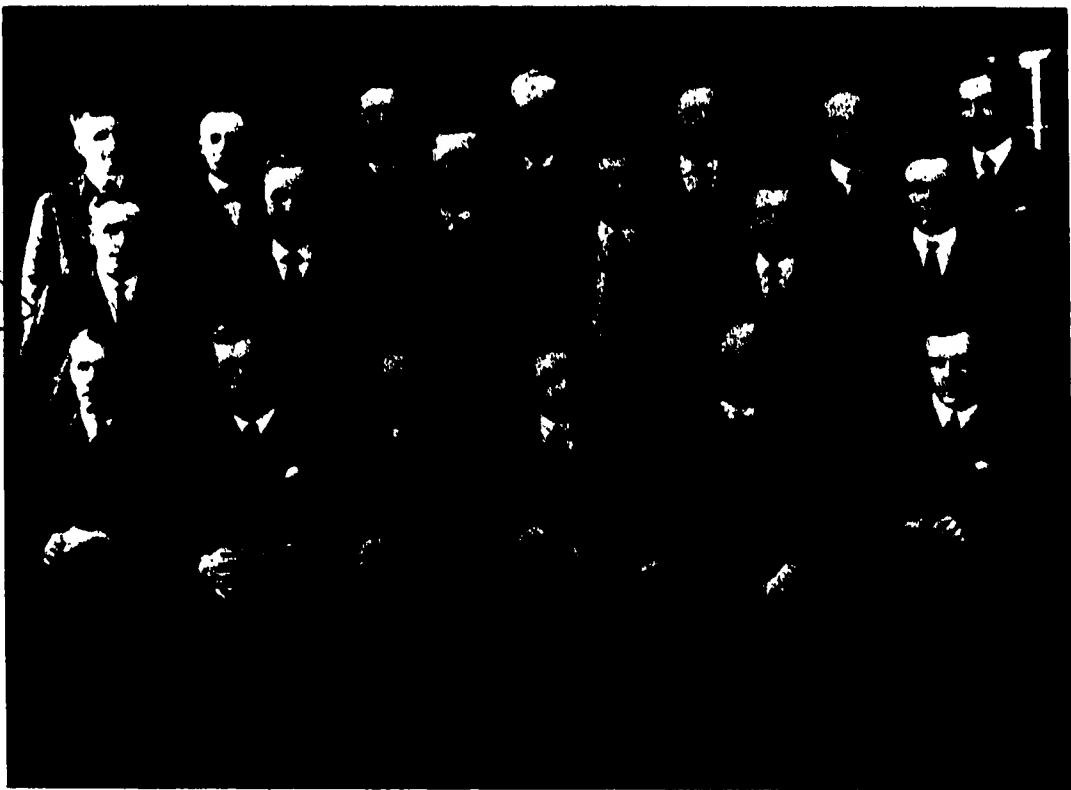
In the twenty-one years since the Pool was organized nearly 1,700,000,000 bushels of grain have been handled through Pool Elevators. To get even a small idea of the saving this has meant to Pool farmers it is necessary only to do some simple problems in arithmetic. A saving of 1c per bushel would have meant a saving to the farmers of \$17,000,000. A saving of 3c per bushel represents a total of \$51,000,000. It is impossible for anyone to determine the exact savings because nobody can say what charges might have been, had there been no Pool. One thing we do know, however, we know what farmers were paying for elevator services before the Pools were organized.

Nor is the benefit to be determined only on the basis of grain handled through Pool Elevators. Since the Pools have become the dominant force in the marketing of grain, private companies have had to bring their handling charges down, and bring their standards of practice up into line with policies adopted by the Pool. This has meant savings of millions of dollars to non-Pool farmers. This point is emphasized by the fact that in the twenty-one years the Pool has been in business 3,306,000,000 bushels of wheat have been marketed in Saskatchewan.

In the years that it has been in operation the Pool has taken the lead in bringing about reforms in the handling of grain in order that the producer might get all to which he is entitled in the final settlement he received.

Largely as a result of a strenuous campaign carried on by the Pools and other farm organizations a complete re-writing of the Canada Grain Act was achieved in 1930. The re-organization of the Board of Grain Commissioners also resulted in changes in the administration of marketing regulations which proved beneficial to the farmers.

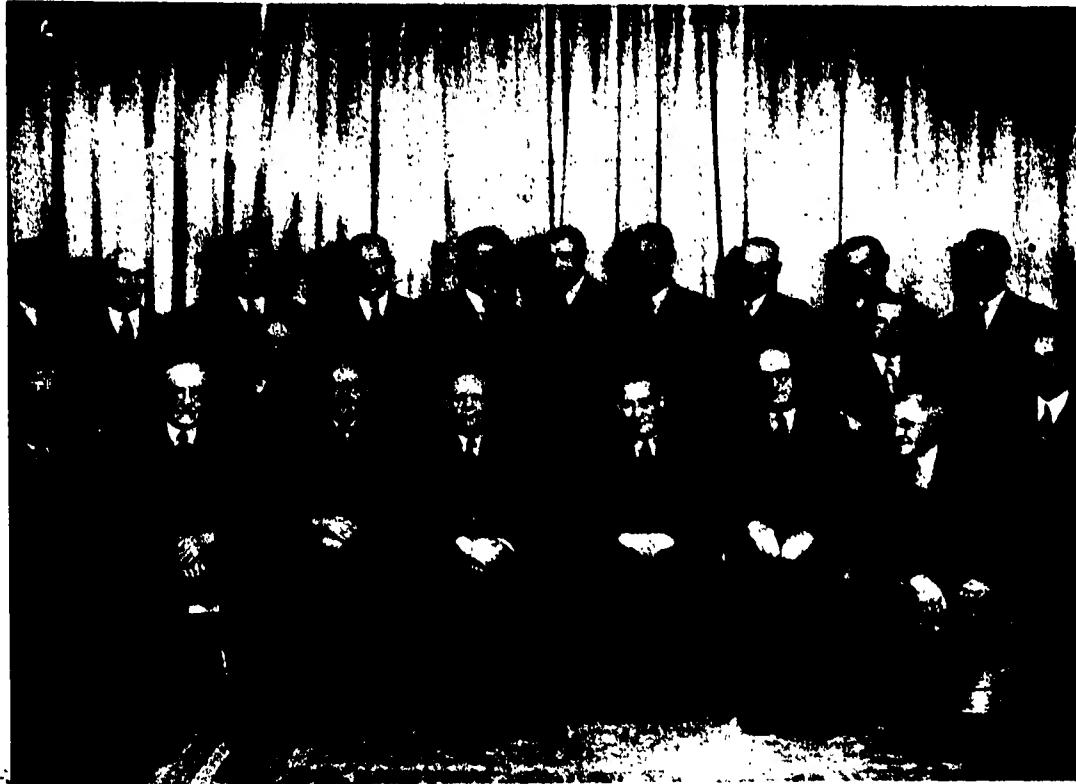




THE 1924 BOARD

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OWNERSHIP of country elevators in Saskatchewan was only the first step towards the establishment of an efficient grain handling organization. It was not enough to handle grain in the country. It was necessary to retain control of the grain right through to the terminals, because many of the practices which had been detrimental to the farmers' interest were carried on in the terminals.

Terminal operation was started in a small way, and was expanded as the country elevator system expanded.

The first year of operation of Saskatchewan Pool Elevators, the three Pool organizations of Manitoba, Saskatchewan, and Alberta jointly owned two small terminals at the Head of the Lakes. The following year a third terminal was acquired, and all were operated by the central selling agency set up by the three Pools. In August of 1926 the purchase of the Saskatchewan Co-operative Elevator Company by Saskatchewan Pool Elevators Limited was negotiated. Under the terms of the sale agreement Saskatchewan Pool Elevators acquired 451 country elevators and four terminal elevators. The four terminals included the Buffalo terminal *; Saskatchewan Co-op terminal elevators Nos. 1 and 2 at Port Arthur which are now known as Saskatchewan Pool terminals Nos. 4 and 5; and C.N.R. terminal No. 3, which was and is still leased by Saskatchewan Pool Terminals and is known as Pool terminal No. 6. Later Pool terminal No. 7, the most efficient and up-to-date terminal at the Head of the Lakes, was built for Saskatchewan Pool Elevators. After the acquisition of the terminals formerly owned by the Saskatchewan Co-operative Elevator Company, Saskatchewan Pool Elevators Limited disposed of its equity in the three small terminals which were owned jointly by the three Pools.

In the twenty-one years that the Saskatchewan Wheat Pool has been in operation 1,393,463,000 bushels of grain have been handled through Saskatchewan Pool Terminals. The operation of these terminals has proved to farmers that it pays to look after their own business.

*The Buffalo Terminal was sold in 1945 to a private grain organization in the United States.

FIYE YEARS after the Pool was organized in Saskatchewan a Royal Commission under the chairmanship of Chief Justice J. T. Brown which investigated the grain trade recounted in its report, "some of the achievements of the Pool as we have seen evidence of them":

"It (the Pool) has been and will be a great force in bringing about remedial legislation in the interest of the producer, not only in connection with the Canada Grain Act, but in other legislation as well.

"It has helped to train its members in citizenship. It has brought about a spirit of independence and self-confidence on the part of the farmer in carrying out his various business enterprises.

"It has enabled its membership to feel that the marketing of their grain was in the hands of men who are capable, who understand world conditions, and who have no interest to serve except that of the producers.

"It has by operating in a large way, been able to operate in an economical way. It has enabled its patrons to share in all terminal elevator earnings.

"It has provided a grade checking department whereby every sample of wheat pooled is checked over after inspection, and a reinspection or appeal is called for whenever it is in the interest of the grower that such should be done.

"It was the first to introduce and install the automatic sampler in its terminals, an instrument which will soon be of general application and mean much to a correct system of grading.

"It requested and helped bring about through the National Research Council co-operating with the agricultural departments of the western universities, a scientific investigation into improved methods for drying tough and damp grains which will be of incalculable benefit to producers.

"It showed the way for settling with the farmer for mixed grains on the basis of separations where such separations are possible, and thereby saving to the farmer as much as over \$300 per car.

This was the appraisal of the Pool by a Royal Commission 16 years ago.

CITIIN a few years after the organization of the Saskatchewan Wheat Pool, farmers began paying attention to another field of marketing. In 1927 Saskatchewan Co-operative Livestock Producers Limited was organized.

For sixteen years the Saskatchewan Wheat Pool and the Saskatchewan Livestock Pool operated as separate entities. Many thousands of farmers held membership in both organizations.

In 1943 the delegates of the Saskatchewan Livestock Pool and the Saskatchewan Wheat Pool voted in favor of the amalgamation of the two organizations. As an outgrowth of this action the name of Saskatchewan Co-operative Wheat Producers Limited was changed to Saskatchewan Co-operative Producers Limited and provision was made for the operation of the Saskatchewan Livestock Pool as a subsidiary of the enlarged parent organization. The change became effective June 1st, 1944.

Since the inception of the Livestock Pool to the end of July, 1945, more than four and a half million head of livestock had been handled including the shipments of stock from Saskatchewan to Canadian Livestock Co-operative (Western) Limited at St. Boniface, by independent shippers and autonomous co-operatives. During the season 1944-45 handlings amounted to well in excess of half a million head despite a substantial drop in hog marketings due to the reduction in the hog production program as compared to 1943-44.

The Livestock Pool has agencies at Saskatoon, Prince Albert, Moose Jaw and Regina, through which stock that is shipped or trucked may be sold. In addition, the facilities of Canadian Livestock Co-operative (Western) Limited at St. Boniface are also at the disposal of shippers. Earnings of the C.L.C. are pro-rated on a delivery basis to the Manitoba and Saskatchewan organizations.

In addition the Livestock Pool operates a country section under which agents, many of them Pool Elevator agents arrange shipments of stock from country points either to the C.L.C. or to the provincial agencies. This service is being extended with the objective of ultimately making some type of co-operative livestock marketing machinery available in every corner of the province.



TWENTY-ONE YEARS of operation of the Pool have demonstrated that Saskatchewan farmers are capable of operating the world's largest grain marketing organization. They have proved that they can operate terminal elevators successfully, and that there are no mysteries about the marketing of livestock that they themselves cannot master.

In November, 1944, Pool delegates voted in favor of a program of industrial development designed to process the products of the farm. For many years farmers have watched the raw materials shipped out and the finished products returned and have paid the freight charges in both directions. They have decided that this is not economical nor is it in their best interests.

Already under construction at Saskatoon is a two expeller vegetable oil crushing plant capable of handling 1,000 bushels of flax daily. It will also be capable of processing Argentine rape or sunflower seed.

A flour and feed mill and grain storage elevator are in the blue print stage and construction of these projects will likely be started some time during the summer of 1946. Operation will probably start in the summer or fall of 1947.

A starch and glucose plant for manufacturing food starches, glucose and glucose syrup from wheat are being contemplated as a means of disposing of second and third patent flour from the mill.

The feasibility of manufacturing glycol for anti-freeze from low grade wheat is being investigated.

Farmers have waited in vain for some industrial concern to undertake development in this province that would provide them with increased markets for the products of the farm and at the same time reduce the cost to them of the finished product. Having learned through the operations of their own grain and livestock handling facilities that it pays to do things for themselves they have launched the program with a determination to apply both the principles of co-operation and the business experience they have gained, in writing another successful chapter into the history of farm organization in western Canada.

DURING the twenty-one years that the **Saskatchewan Wheat Pool** has been in existence farmers have succeeded in building a mighty organization that is guarding their interests in the marketing channels of the world:

The figures are impressive - 1,139 country elevators, four big terminals at the Head of the Lakes, grain handling facilities with an original cost of \$28,069,501; well in excess of 100,000 members, grain handlings well past the one and a half billion bushel mark, savings through patronage dividends to members amounting to millions of dollars; savings through reduction in handling charges of other millions; expansion in the field of livestock marketing and entry into the industrial field as a means of opening up new markets for Saskatchewan farm products through the industrial utilization of farm crops.

These are the physical - the concrete things that stand as monuments to the resourcefulness and courage of the farmers of Saskatchewan in their efforts to gain the objective set for themselves to preserve for the growers and the public their proper benefits and economies.

The Pool organization has been a vital force in formulating agricultural policies; in moulding public opinion behind sound marketing principles; in mobilizing thought and action in such undertakings as the "On-to-Ottawa" delegation in 1942 in the interests of a square deal for agriculture, and has marched in the vanguard of those thousands of Saskatchewan co-operators who inspired Dr. Harold S. Patton of the University of Michigan to praise "the dominating purpose" of the prairie grain growers in their fight for "a greater measure of social justice," whose co-operative organizations "have not over-reached themselves in prosperity nor been demoralized in adversity."

Today, twenty-one years after the inception of the Saskatchewan Wheat Pool, Saskatchewan farmers can look back over the accomplishments of the years with just pride. They have not lost sight of the over-all objective to make it possible for those who till the soil of this western prairie to live in better homes and enjoy a better standard of living. They can look forward with an inextinguishable determination to build even better for the future, for the end is not yet.



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